
Fonden Lundbeck International Neuroscience Foundation

Ottiliavej 9, DK-2500 Valby

Annual Report for 1 January - 31 December 2020

CVR No 24 24 60 51

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Foundation
on 25/06 2021

Vaidrius Navikas
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fonden Lundbeck International Neuroscience Foundation for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Foundation and of the results of the Foundation operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

Copenhagen, 25 June 2021

Executive Board

Karin Jexner Hamberg

Board of Directors

Vaidrius Navikas
Chairman

Philip Gorwood
Deputy Chairman

Tarek Ahmed Mahmoud
Okasha

Christoph Correll

Xin Yu

Christopher Chen

Independent Auditor's Report

To the Board of Directors of Fonden Lundbeck International Neuroscience Foundation

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2020 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fonden Lundbeck International Neuroscience Foundation for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the

Independent Auditor's Report

Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 25 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen

State Authorised Public Accountant

mne18651

Foundation Information

The Foundation

Fonden Lundbeck International Neuroscience Foundation
Ottiliavej 9
DK-2500 Valby

CVR No: 24 24 60 51

Financial period: 1 January - 31 December

Municipality of reg. office: Valby

Board of Directors

Vaidrius Navikas, Chairman
Philip Gorwood, Deputy Chairman
Tarek Ahmed Mahmoud Okasha
Christoph Correll
Xin Yu
Christopher Chen

Executive Board

Karin Jexner Hamberg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The Foundation's primary activities comprises managing non-product-oriented training in the subjects of medical, pharmaceutical and medical nature, especially in neurology and psychiatry, and emphasis on increased patient quality of life and improved patient care.

Development in the year

The Income Statement of the Foundation for 2020 shows a profit of DKK 213,433, and at 31 December 2020 the Balance Sheet of the Foundation shows equity of DKK 3,194,972.

Statutory report on foundation governance

Statutory report on foundation governance, cf. section 77a of the Danish Financial Statements Act, is published on the Foundation's website cf, <http://www.linf-forum.com/lundbeckinstitute/governance>

Statutory report on distribution policy

The Foundation distributed DKK 665 thousand to educational activities in 2020.

Statutory report on distribution policy, cf. section 77b of the Danish Financial Statements Act, is published on the Foundations website cf. <http://www.linf-forum.com/educationalresources/instructions-to-applicants>

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Revenue		1,972,011	3,802,643
Other external expenses	1	-948,513	-2,835,156
Gross profit/loss		1,023,498	967,487
Staff expenses	2	-335,230	-302,462
Profit/loss before financial income and expenses		688,268	665,025
Financial income		17,783	60,124
Financial expenses		-39,618	-59,593
Profit/loss before tax		666,433	665,556
Tax on profit/loss for the year		0	0
Net profit/loss for the year		666,433	665,556

Distribution of profit

Proposed distribution of profit

Provision for distributions	666,433	1,162,096
Retained earnings	0	-496,540
	666,433	665,556

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Other receivables		1,824	169,750
Prepayments		418,361	381,813
Receivables		420,185	551,563
Other Investments		506,357	494,198
Cash at bank and in hand		5,274,071	5,006,946
Currents assets		6,200,613	6,052,707
Assets		6,200,613	6,052,707

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Contributed capital		300,000	300,000
Provision for distributions		2,347,972	1,766,977
Retained earnings		<u>1,000,000</u>	<u>1,000,000</u>
Equity		<u>3,647,972</u>	<u>3,066,977</u>
Trade payables		2,196,782	1,993,546
Other payables		<u>355,859</u>	<u>992,184</u>
Short-term debt		<u>2,552,641</u>	<u>2,985,730</u>
Debt		<u>2,552,641</u>	<u>2,985,730</u>
Liabilities and equity		<u>6,200,613</u>	<u>6,052,707</u>

Accounting Policies

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Statement of Changes in Equity

	Contributed capital	Provision for distributions	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	300,000	1,766,977	1,000,000	3,066,977
Ordinary distributions	0	-85,438	0	-85,438
Net profit/loss for the year	0	666,433	0	666,433
Equity at 31 December	300,000	2,347,972	1,000,000	3,647,972

Notes to the Financial Statements

1 Other external expenses

DKK 500k has been paid to the Foundation's administrator in administration fee.

	<u>2020</u> DKK	<u>2019</u> DKK
2 Staff expenses		
Board of Directors	<u>335,230</u>	<u>302,462</u>
	<u>335,230</u>	<u>302,462</u>
Average number of employees	<u>0</u>	<u>0</u>

Notes to the Financial Statements

3 Accounting Policies

The Annual Report of Fonden Lundbeck International Neuroscience Foundation for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

3 Accounting Policies (continued)

Income Statement

Revenue

Revenue is recognised when the risks and rewards have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Foundation.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Other external expenses

Other external expenses include expenses relating to the Foundation's ordinary activities.

Staff expenses

Staff costs comprise the Board of Director's fee.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of realised and unrealised exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Notes to the Financial Statements

3 Accounting Policies (continued)

Current asset investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Distributions

Authorised grants

Grants are considered equity movements and are recognised as a liability at the time when the grant has been authorised by the Board of Trustees and announced to the recipient. Authorised grants not yet disbursed are recognised in non-current or current liabilities, respectively.

Reserve for future grants

In accordance with the Danish Act for Industrial Foundations, a reserve for future grants has been set up in order for the Board of Trustees to be able to donate grants during the financial year. The reserve does not have to be used, but it is continuously reduced with donated grants. Every year the Annual Meeting the Board of Trustees will reevaluate the size of the reserve.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Distributions

Distributions paid out

Distributions that have been adopted and paid out in accordance with the purpose of the Foundation at the balance sheet date are deducted from equity in connection with distribution of profit.

Distributions not yet paid out

Distributions that have been adopted in accordance with the purpose of the Foundation at the balance sheet date and have been announced to the recipients, but have not yet been paid out at the balance sheet date, are deducted equity in connection with distribution of profit and recognised as debt.

Notes to the Financial Statements

3 Accounting Policies (continued)

Distribution framework

At the meeting of the Board of Directors at which the Annual Report is adopted, the Board of Directors lays down a distribution framework in respect of the amount expected to be distributed. This amount is transferred from distributable reserves to the distribution framework. Concurrently with being announced to the recipients, the distribution amounts are paid out, or they are transferred to debt or, in rare cases, to provisions relating to distributions.

Provisions relating to distributions

In case of distributions which have been announced to the recipient and which are conditional upon one or more events taking place at the recipient, the obligation may be uncertain as to amount or time of payment. Such items are recognised in provisions relating to distributions.